Province of
British Columbia

British Columbia Marketing Board

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British Columbia

Ministry of
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Honourable Bill Barlee
Minister

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Province of
British Columbia

British Columbia Marketing Board

ANNUAL REPORT

for the year ended 31 March, 1991

Province of British Columbia

OFFICE OF THE MINISTER

Ministry of Agriculture, Fisheries and Food

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The Honourable David C. Lam
Lieutenant-Governor
Province of British Columbia

May It Please Your Honour:

I have the pleasure of submitting for your consideration the Annual Report of the British Columbia Marketing Board for the year April 1, 1990 to March 31, 1991.

Yours truly,

N L Barlee

Bill Barlee
Minister

Province of
British Columbia

British Columbia
Marketing Board

Victoria
British Columbia
V8W 2Z7

The Honourable Bill Barlee
Minister of Agriculture, Fisheries and Food
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Sir:

On behalf of the British Columbia Marketing Board I am pleased to submit the annual report for the year of April 1, 1990 – March 31, 1991.

Respectfully submitted,

Donna Iverson
Chair

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Role and Function of the British Columbia Marketing Board

The British Columbia Marketing Board (BCMB) was created in 1935 by the Lieutenant-Governor in Council under the *Natural Products Marketing (BC) Act*. It was originally set up to supervise and regulate the individual provincial commodity marketing boards and to ensure that they operated fairly and within the law. The board was reorganized in 1974 and it was granted expanded powers under the *Natural Products Marketing (BC) Act*.

In order to carry out the intent and purpose of this act the BCMB has the following responsibilities:

Supervisory

The BCMB is the general supervisor of all marketing boards or commissions constituted under the Act. It supervises the general operations of thirteen commodity boards and commissions in British Columbia.

Boards and Commissions

British Columbia Broiler Hatching Egg Commission
British Columbia Chicken Marketing Board
British Columbia Cranberry Marketing Board
British Columbia Egg Marketing Board
British Columbia Grape Marketing Board
British Columbia Hog Marketing Commission
British Columbia Milk Marketing Board
British Columbia Mushroom Marketing Board
British Columbia Oyster Board
British Columbia Sheep and Wool Commission
British Columbia Turkey Marketing Board
British Columbia Tree Fruit Marketing Board
British Columbia Vegetable Marketing Commission

Appeals

In addition to supervisory responsibilities, the BCMB serves as an administrative tribunal to hear appeals by persons aggrieved or dissatisfied by an order/decision or determination of a marketing board or commission.

Signatory

The BCMB is a signatory to the Federal-Provincial Agreements for the marketing of eggs, broiler hatching eggs and turkey.

Objectives of the British Columbia Marketing Board

The objectives of the BCMB, as outlined in a research report undertaken by the B.C. Legislature by its select standing committee on agriculture in 1979 (currently under review) are as follows:

1. To review the administrative and operational decisions of the individual provincial commodity boards to ensure that producers' and consumers' interests are protected.
2. To act as an appeal body for any individual or organization dissatisfied with a decision of a commodity marketing board.
3. To monitor supply management schemes to ensure that they do not restrict the entry of potential producers into a market.
4. To review individual commodity marketing board orders to ensure that they do not violate existing legislation, exceed power and authority of the boards, or negatively affect individual producers and minority groups of producers.

Supervisory

Activities

In order to carry out its supervisory responsibilities during the past year, the BCMB:

- reviewed the minutes, orders and rules of the individual commodity boards and commissions
- met with the executive of individual boards and commissions
- reviewed the annual reports of the boards and commissions
- reviewed regulations and amendments to boards' and commissions' plans
- as a signatory, attended meetings with respect to those commodities under national plans
- held meetings of the BCMB
- met with the executive of individual marketing boards and commissions to obtain current information on the status of the industry, to review industry problems and to discuss matters related to the implementation of the marketing schemes
- provided guidance to a number of boards and commissions in resolving disputes and in addressing recurring problems
- provided individual BCMB board members to attend annual meetings of boards and commissions

Highlights

A summary of the highlights of BCMB's supervisory activities follows.

The British Columbia Milk Marketing Board was included under the *Natural Products Marketing (BC) Act* and under the supervision of the BCMB effective April 1990.

The Board of Directors of the National Broiler Hatching Egg Agency approved a new methodology for calculating provincial allocations for broiler hatching eggs. The BCMB approved the agency's proposal to have 1990/1991 provincial allocations for broiler hatching eggs based on a new methodology. The new allocations are based on industry analysis rather than the provincial allocations determined by the Canadian Chicken Marketing Agency.

The BCMB commissioned a report to determine whether egg producers in British Columbia are receiving a price for eggs in excess of the price established by the Canadian Egg Marketing Agency. The report covered a simultaneous audit of records of egg grading stations covering the period January 1, 1986–May 31, 1990. The report found that premiums were paid during this period and that the amount of the premium varied during the period and varied from station to station. Of 146 producers identified in the audit tests, 144 were in receipt of such payments.

The British Columbia Egg Marketing Board has

challenged B.C. Reg. 157/86 (which sets the Canadian Egg Marketing Agency price as a maximum price) and challenged the BCMB's authority to enforce the Canadian Egg Marketing Agency price as a maximum price by commencing a British Columbia Supreme Court action. On September 11, 1990 the British Columbia Egg Marketing Board sought an injunction enjoining the BCMB and the Attorney General from trying to enforce the Canadian Egg Marketing Agency price as a maximum price. The British Columbia Egg Marketing Board's application for an injunction was dismissed. The matter remains before the British Columbia Supreme Court.

The BCMB has offered to support the British Columbia Egg Marketing Board in achieving change if satisfactory evidence can be provided which shows that producers are not adequately recovering their costs and that bonus payments do not result in higher costs to consumers. No such evidence has been made available to the BCMB at the time of this report.

In the fall of 1990, the British Columbia Oyster Board discontinued issuance of export permits which allow growers, grower-packers and wholesalers to purchase or sell oysters destined for the export market at 20 per cent below the domestic price. The British Columbia Oyster Board found that the permits were not effective in stimulating sales, monthly reports were not consistently filed by wholesalers and there were indications that products purchased from the export market were being sold in the domestic market.

There has been considerable turmoil in the mushroom industry during the past year. As a result of a meeting with the chairperson of the BCMB, a mushroom industry study was commissioned. A draft copy of this study has been received by the British Columbia Mushroom Marketing Board and toward the end of the fiscal year it was the board's plan to review the study with growers.

The Lusztig Report was commissioned by the British Columbia Government to review the tree fruit industry. The report recommended against the formation of a national agency for apples. The National Farm Products Marketing Council held hearings throughout the country regarding the formation of a national agency. The Chairperson attended the hearing held in Kelowna in July 1990. The British Columbia Tree Fruit Marketing Board continues to work toward the formation of a national agency.

The BCMB worked with the British Columbia Vegetable Marketing Commission in revising the method used in negotiating contracts for processing crops. On March 20, 1991, the British Columbia Vegetable Marketing Commission, food processors and the producers' associations reached agreement on a revised negotiating policy. The BCMB is pleased to report that the new procedures adopted by the British Columbia Vegetable Marketing Commission have addressed many concerns of both growers and processors.

Appeals

Appeal hearings are open to the public and provide both parties an opportunity to present relevant evidence and information. When rendering a decision on an appeal, the board may dismiss the appeal or confirm or vary the order/decision or determination of the marketing board or commission on the terms and conditions it considers appropriate. These decisions may be appealed to the Supreme Court on a question of law.

There were 16 appeals filed with the BCMB during the past year. Five were withdrawn, two were adjourned, eight were heard and decisions rendered, and one was commenced but that hearing has not yet been completed.

Summary of Appeals Completed

Jack W.F. Arnaud—British Columbia Vegetable Marketing Commission

Mr. Arnaud appealed the decision of the British Columbia Vegetable Marketing Commission of January 8, 1990 to reconvene a meeting of the commission without attempting to notify all members, and the decision of the British Columbia Vegetable Marketing Commission of February 27, 1990 to remove the name of Mr. Arnaud from the ballot for the election of a commission member from District II.

DECISION RENDERED: September 13, 1990

With respect to the Appeal from the decision of January 8, 1990, the British Columbia Marketing Board ordered that the British Columbia Vegetable Marketing Commission amend its general orders.

Mr. Arnaud's appeal of the decision of February 27, 1990, was dismissed.

Salmon Arm Poultry Farm (Penner)—British Columbia Egg Marketing Board

Mr. Jake Penner of Salmon Arm Poultry Farm appealed the decision of the British Columbia Egg Marketing Board made April 5, 1990 not to allow Salmon Arm Poultry Farm to change grading stations.

DECISION RENDERED: October 19, 1990

Mr. Penner's appeal was dismissed.

Fraser Valley Food Processors Association—British Columbia Vegetable Marketing Commission

The Fraser Valley Food Processors Association appealed decisions made April 12, 1990 of the British Columbia Vegetable Marketing Commission setting the contract price for processing peas and processing corn in the crop year 1990.

DECISION RENDERED: October 19, 1990

While the British Columbia Marketing Board dismissed the appeal of the Fraser Valley Food Processors Association, they directed the Respondent to take immediate steps to address and rectify deficiencies in its negotiation process.

Donald Hurford—British Columbia Milk Marketing Board

Mr. Hurford appealed the decision of the British Columbia Milk Marketing Board made June 7, 1990 to deny an exemption from the provisions of Section 7.01 (a) of the Milk Market Sharing Order 28.

DECISION RENDERED: January 23, 1991

The British Columbia Marketing Board allowed the appeal of Mr. Hurford and ordered that the British Columbia Milk Marketing Board restore Mr. Hurford's Market Share Quota effective August 1, 1988, less a reduction due as a result of the sale of 200 litres of fluid quota.

Alice and Don Lewis—British Columbia Egg Marketing Board

Mr. and Mrs. Lewis appealed a decision of the British Columbia Egg Marketing Board dated May 29, 1990 in which the British Columbia Egg Marketing Board refused to exempt them from the surrender of five per cent of their quota in the event of an eligible quota transfer.

DECISION RENDERED: November 29, 1990

The British Columbia Marketing Board allowed the appeal of Mr. and Mrs. Lewis and ordered the quota sold by them during 1990, along with any further quota presently held by them and sold by them before December 31, 1991, be exempt from the requirement that five per cent of such quota be surrendered.

Western Hatchery Ltd., Okanagan Hatchery Ltd., Lilydale Cooperative Ltd. and Horizon Hatchery Ltd.—British Columbia Broiler Hatching Egg Commission

The Appellants appealed an order of the British Columbia Broiler Hatching Egg Commission dated June 26, 1990 which order imposed an administrative levy against the hatcheries.

DECISION RENDERED: January 23, 1991

While the British Columbia Marketing Board

found that the British Columbia Broiler Hatching Egg Commission had authority to order the payment of such levies, it found that its reasons for imposing the levy were not supported by the facts and cancelled the order which imposed the levies.

Bellewood Farms Ltd.—British Columbia Chicken Marketing Board

Bellewood Farms Ltd. appealed an order of the British Columbia Chicken Marketing Board dated June 28, 1990 which order regulated Cornish production.

DECISION RENDERED: January 9, 1991

The British Columbia Marketing Board dismissed the appeal and confirmed the order of the British Columbia Chicken Marketing Board.

Mainland Dairymen's Association—British Columbia Milk Marketing Board

The Mainland Dairymen's Association appealed a decision of the British Columbia Milk Marketing Board made on August 21 and 22, 1990 not to refund certain monies which had been collected from those British Columbia dairy farmers who produce milk in excess of their allotted market sharing quota.

DECISION RENDERED: March 20, 1990
REASONS ISSUED: April 24, 1991

The British Columbia Marketing Board dismissed the appeal and upheld the British Columbia Milk Marketing Board's decision not to refund those monies to producers who overproduced their Market Share Quota.

Signatory

The BCMB is a signatory to Federal-Provincial Agreements for the marketing of eggs, broiler hatching eggs and turkey, nationally.

The marketing plans are administered by national agencies (Canadian Egg Marketing Agency, Canadian Broiler Hatching Egg Marketing Agency, Canadian Turkey Marketing Agency) which are responsible for determining the level of production required to satisfy Canadian demand, allocate the estimated production among the member provinces and undertake national advertising and promotional programs. In the case of the Canadian Egg Marketing Agency, the Agency sets the prices for eggs and markets them to the further processing or export market.

In June 1990, signatories to the Federal-Provincial Agreement for broiler hatching eggs approved the use of a new methodology for calculating provincial allocations of broiler hatching eggs for 1990 and 1991. Given the long time-frame involved in processing amendments to the agreement, the National Farm Products Marketing Council offered to approve 1990 and 1991 allocations based on the new methodology provided they were given written approval by all signatories to do so.

The main features of the revised methodology were based on:

- the determination of provincial allocations for hatching eggs on industry analysis rather than the provincial allocations made by the Canadian Chicken Marketing Agency to chicken growers;
- a refinement of the meat-to-egg ratio calculation. This ratio is used to calculate the number of eggs required to produce one kilogram of chicken meat. The refined ratio was developed by the British Columbia Broiler Hatching Egg Marketing Commission.

Use of the revised methodology was expected to reduce British Columbia's allocation of hatching eggs by 0.42 per cent (234,494 eggs). However, the flexibility of the revised ratio and the improved market responsiveness which was expected to result from the use of the new methodology was considered to outweigh the minimal reduction.

Members and Staff of the BCMB (as of March 31, 1991)

		Term Expires
General Manager:	Brenda Coutts	
Chair:	Donna Iverson	April 10, 1992
Vice Chair:	E. Mona Brun	November 13, 1992
Members:	George Aylard	April 26, 1991
	Oscar Austring	April 26, 1991
	John Reger	April 26, 1991

Members and Staff of Commodity Boards

British Columbia Broiler Hatching Egg Commission

Secretary-Manager:	John Durham	
Chair:	Barrie Peterson	At pleasure
Members:	David Stauber	AGM 1994
	Kenneth Huttema	AGM 1994
	Vic Regier	AGM 1993
	Rodney Reid	AGM 1992

British Columbia Chicken Marketing Board

General Manager:	R.A. (Art) Stafford	
Chair:	Albert Bartel	AGM 1992
Members:	Hermann Volk	AGM 1993
	Jim Shiell	AGM 1992
	Norm Knott	AGM 1993

British Columbia Cranberry Marketing Board

Chair:	Ron May	AGM 1992
Members:	Don March	AGM 1993
	P. Dhillion	AGM 1994

		Term Expires
British Columbia Egg Marketing Board		
General Manager:	Neall Carey	
Chair:	Al Giesbrecht	At Pleasure
Members:	Fred Krahn	Mailed Ballot 1992
	Ben Woike	Mailed Ballot 1992
	Walter Siemens	Mailed Ballot 1993
	Jack Pope	Mailed Ballot 1993
British Columbia Grape Marketing Board		
Secretary:	Connie Bielert	
Chair:	Terry Wells	AGM 1992
Members:	Reiner Mannhardt	AGM 1992
	Lanny Martinuk	AGM 1992
	Barry Irvine	AGM 1992
	Sam Baptiste	AGM 1992
British Columbia Hog Marketing Commission		
General Manager:	Glenn Dawson	
Chair:	Jake Jensen	Mailed Ballot 1991
Members:	David Craven	Producer Mtg. 1991
	Clarence Snider	Producer Mtg. 1991
	Robert Lepp	Producer Mtg. 1991
	Rennie Heare	Producer Mtg. 1991
	Ben Doerksen	Mailed Ballot 1991
British Columbia Milk Marketing Board		
Manager:	Geoff Thorpe	
Chair:	Arne Mykle	Oct. 31/92
	John Malenstyn	At Pleasure
	W.A. (Robin) Robinson	At Pleasure
British Columbia Mushroom Marketing Board		
General Manager:	Chuck Amor	
Chair:	Vacant	At Pleasure
Members:	Theo (Ted) DeVries	At Pleasure
	H.J. (Kim) Wrede	At Pleasure
British Columbia Oyster Board		
Secretary:	Patricia Irvine	Oct. 1991
Chair:	Peter McLellan	Oct. 1992
Members:	Geoff Lindsay	Oct. 1992
	Norm Gibbons	Oct. 1992
	Alex Munroe	Oct. 1992

		Term Expires
British Columbia Sheep and Wool Commission		
Chair:	Pat Holman	Nov. 1991
Members:	Robin Herlinveaux	Nov. 1993
	Jan Tuytel	Nov. 1991
	Bruce Cochrane	Nov. 1991
	Darryl Paley	Nov. 1992
	Trudie Korfman	Nov. 1993
	Carole Olsen	Elected Annually
British Columbia Tree Fruit Marketing Board		
Chair:	David Taylor	AGM 1991
Members:	Don Claridge	AGM 1991
	Bryan Karrer	AGM 1991
British Columbia Turkey Marketing Board		
Secretary-Manager:	Colyn Welsh	
Chair:	Lorne Bustin	AGM 1994
Members:	Walter Nickel	AGM 1992
	J.A. (Sandy) McCurrach	AGM 1993
British Columbia Vegetable Marketing Commission		
General Manager:	Chuck Amor	
Chair:	Jim Harris	Mailed Ballot 1993
Vice:	George Wright	Mailed Ballot 1993
Members:	Tony Kavelaars	Mailed Ballot 1992
	Tony Lodder	Mailed Ballot 1992
	Neils Knudsen	Mailed Ballot 1992
	James Sing	Mailed Ballot 1992
	John Walsh Sr.	Mailed Ballot 1992

Summary

This has been a year with many developments. The rapidly changing environment in the agriculture industry and continuing public controversy surrounding regulated marketing and supply management have created a variety of challenges for the British Columbia Marketing Board. Free trade and continuing trade and tariff discussions have intensified this controversy.

The Ministry of Agriculture, Fisheries and Food commissioned Clair Buckley Associates to prepare a report on the role, function and structure of the BCMB. In preparing the report, Clair Buckley and the Chairperson of the BCMB met with executive members of each of the 13 commodity boards and commissions separately to determine their concerns, future plans, and to hear their recommendations. At the time of the BCMB Annual Report, the Buckley Report had not been released.

The BCMB has consulted with the executive members of the commodity boards and commissions for their suggestions to improve the appeal process. We are confident that some of the planned steps will help to alleviate some of the problems.

The BCMB has worked conscientiously to carry out its responsibilities in an effort to assist in maintaining orderly development in the food industry within British Columbia.